

From: Lau, Elaine
Sent: Friday, October 13, 2017 1:19 PM
To: O'Donnell, Arthur J.
Subject: FW: PG&E's vegetation management expenditures for Sonoma/Napa
Attachments: Energy Division Data Request.pptx

Importance: High

Art,

I sent PG&E a data request regarding their veg management and overhead lines spending. Attached is their response.

Elaine C. Lau | *Regulatory Analyst* | Energy Division | California Public Utilities Commission
(415)703-5621 | Elaine.Lau@cpuc.ca.gov | 505 Van Ness Ave, San Francisco, CA | cpuc.ca.gov

From: Han, Minci [mailto:M2H9@pge.com]
Sent: Friday, October 13, 2017 1:12 PM
To: Lau, Elaine
Cc: Duda, Dorothy; Loewen, James
Subject: RE: PG&E's vegetation management expenditures for Sonoma/Napa
Importance: High

Elaine,

Thank you for the questions. Given the short turn-around time, our teams has pulled together this preliminary analysis for the electric expense programs annual spending requested in your email, including: 1) Vegetation Management (MWC HN), 2) Overhead Preventive Maintenance and Equipment Repair (MWC KA), 3) Pole-Inventory/Test and Treat (MWC GA) and 4) Fire Hazard Prevention (non-GRC funded). For a more complete picture of our work in this area, I will supplement this response with similar data for our related capital programs, including Pole Replacement (MWC 07) and Electric Distribution Preventative Maintenance – Overhead (MWC 2A).

A couple of things to note:

1. The Company does not track costs for these programs at the county-level. In this response, we have highlighted with red borders the divisions that best correspond with Napa and Sonoma counties.
2. For MWCs GA and IG and the fire mitigation work, costs are not tracked at the division-level. Our team had to derive the division-level costs using methods described in the attachment.
3. For some of the programs, divisions are defined based on program structure, such as staffing size and resource type (e.g., if a program is mainly staffed by contracting resources, the geographic division is set with the consideration of the contracting resources).
4. We have presented 2014 and 2015 recorded costs in the new and old cost models to provide better comparability to 2016 and 2017 recorded costs which are in the new cost model. (Additional detail on PG&E new cost model was provided in PG&E's March 31, 2016 Budget Compliance Report, which I sent you yesterday.)

As I indicated, I will provide you a supplemental response that includes our capital expenditures for Pole Replacements – hopefully later today.

Please let me know if you have any questions.

Minci

From: Lau, Elaine [<mailto:elaine.lau@cpuc.ca.gov>]
Sent: Thursday, October 12, 2017 11:56 AM
To: Han, Minci
Cc: Duda, Dorothy; Loewen, James
Subject: RE: PG&E's vegetation management expenditures for Sonoma/Napa
Importance: High

*******CAUTION:** This email was sent from an EXTERNAL source. Think before clicking links or opening attachments.*****

Hi Minci,

I just want to reiterate in writing Energy Division's data request:

- 1) Actual spending for 2014-2016 and Year-to-date (YTD) 2017 for Vegetation Management (MWC HN), Overhead lines preventive maintenance and equipment repair (MWC KA), and T&D maintenance overhead poles (MWC GA), **specifically for Napa and Sonoma counties.**
- 2) Actual spending to address tree mortality in Napa and Sonoma counties (either under CEMA, MEBA, or any other accounts or mechanisms) for 2014-2016 and YTD 2017.

Please send the information to us either by EOB today or 12PM tomorrow.

Thanks,
Elaine

From: Lau, Elaine
Sent: Thursday, October 12, 2017 11:38 AM
To: Han, Minci
Cc: Duda, Dorothy; Loewen, James
Subject: PG&E's vegetation management expenditures for Sonoma/Napa

Minci,

Can you send me information regarding the vegetation management spending for Sonoma and Napa counties ASAP, say today EOB or tomorrow morning? If possible, can it be divided into budgeted versus spent? We are looking for data from 2014-2016 and possibly 2017 if you have it.

Please give me a call at your earliest convenience to discuss, 415-703-5621.

Elaine



MWC KA – Distribution Maintenance Overhead

Recorded Costs (Preliminary)

	2014 Old Cost Model	2015 Old Cost Model	2014 New Cost Model	2015 New Cost Model	2016 New Cost Model	2017 YTD September New Cost Model
Division	2014	2015	2014	2015	2016	2017
CC	\$ 3,116,459.39	\$ 2,926,255.55	\$ 1,559,519.83	\$ 1,422,874.41	\$ 1,610,576.21	\$ 1,126,323.56
DA	\$ 1,459,492.92	\$ 1,385,189.08	\$ 734,630.16	\$ 724,706.67	\$ 662,359.96	\$ 674,205.19
DI	\$ 2,282,858.92	\$ 2,287,095.43	\$ 1,118,134.03	\$ 1,223,085.77	\$ 1,314,578.59	\$ 1,008,821.81
EB	\$ 1,497,883.54	\$ 1,807,602.20	\$ 718,804.43	\$ 1,094,824.13	\$ 662,020.98	\$ 685,477.98
FR	\$ 3,691,838.20	\$ 3,300,827.32	\$ 1,741,676.71	\$ 1,597,377.39	\$ 1,567,174.91	\$ 1,100,134.27
HB	\$ 2,540,497.89	\$ 2,956,438.30	\$ 1,277,466.10	\$ 1,421,834.87	\$ 1,625,907.18	\$ 1,366,993.01
KE	\$ 2,218,354.16	\$ 1,988,096.56	\$ 1,035,244.63	\$ 986,238.85	\$ 1,195,994.42	\$ 1,008,441.96
LP	\$ 1,968,310.30	\$ 1,780,888.01	\$ 908,316.36	\$ 886,686.21	\$ 874,603.97	\$ 977,131.63
MI	\$ 1,948,437.05	\$ 2,233,552.38	\$ 981,697.46	\$ 1,167,983.67	\$ 1,343,958.22	\$ 859,920.63
NB	\$ 1,666,888.15	\$ 2,530,925.90	\$ 929,640.43	\$ 1,595,235.74	\$ 1,514,650.87	\$ 1,073,314.91
NV	\$ 2,356,782.63	\$ 3,152,946.89	\$ 1,241,304.62	\$ 1,718,934.52	\$ 1,442,077.94	\$ 939,717.50
PN	\$ 1,425,773.15	\$ 1,685,924.34	\$ 666,104.17	\$ 928,837.80	\$ 903,314.78	\$ 710,930.49
SA	\$ 1,993,763.64	\$ 1,726,156.15	\$ 991,941.01	\$ 854,509.95	\$ 1,203,683.85	\$ 593,295.59
SF	\$ 2,420,619.42	\$ 1,938,288.40	\$ 1,553,540.32	\$ 1,257,155.51	\$ 994,107.61	\$ 664,280.35
SJ	\$ 1,322,203.22	\$ 1,629,475.61	\$ 605,365.65	\$ 762,309.37	\$ 795,396.49	\$ 628,857.07
SI	\$ 2,718,298.70	\$ 4,003,108.95	\$ 1,290,632.34	\$ 1,990,663.77	\$ 2,349,908.94	\$ 2,164,926.14
SO	\$ 1,846,905.27	\$ 1,673,741.85	\$ 897,053.11	\$ 830,447.59	\$ 1,133,184.04	\$ 731,285.36
ST	\$ 2,703,116.97	\$ 2,865,811.31	\$ 1,288,826.25	\$ 1,408,382.74	\$ 1,345,563.78	\$ 933,094.83
YO	\$ 1,944,517.40	\$ 2,362,135.17	\$ 871,424.37	\$ 1,124,176.13	\$ 5,153,654.47	\$ 1,017,726.57
Division Total	\$ 41,123,000.92	\$ 44,234,459.40	\$ 20,411,321.98	\$ 22,996,265.09	\$ 27,692,717.21	\$ 18,264,878.85
System Spend	\$ 18,504,480.63	\$ 18,276,099.54	\$ 15,576,711.25	\$ 15,850,070.46	\$ 4,481,976.87	\$ 1,497,185.81
Total	\$ 59,627,481.55	\$ 62,510,558.94	\$ 35,988,033.23	\$ 38,846,335.55	\$ 32,174,694.08	\$ 19,762,064.66

Notes:

- PG&E implemented a new cost allocation methodology (new cost model) in 2016. To provide comparable costs, 2014 and 2015 recorded costs are shown in PG&E's old cost allocation methodology (old cost model) and PG&E's new cost model.
- Sonoma and Napa county spend is included in North Bay (NB) and Sonoma (SO) divisions. North Bay includes Napa, Marin and parts of Solano Counties.
- System spend includes general programmatic costs for work that is not specific to any division, primarily related to surge arresters. Drop in 2016/2017 relates to reduction in surge arrester work in anticipation of CalFIRE approval of new "exempt" fire safe surge arresters.
- Total for 2014 includes an additional \$4.3M of work reclassified to MWC KA after 2014 Budget Compliance Report (BCR) was filed (the BCR total prior to this adjustment was \$55.3M).

MWC GA - Pole Test and Treat

Recorded Costs (Preliminary)

		2014 Old Cost Model	2015 Old Cost Model	2014 New Cost Model	2015 New Cost Model	2016 New Cost Model	2017 YTD September New Cost Model
MWC GA	Division	2014	2015	2014	2015	2016	2017
	PN	\$0.00	\$0.00	\$0.00	\$0.00	\$2,221,467.74	\$141.85
	SJ	\$0.00	\$1,195,505.78	\$0.00	\$1,071,494.47	\$1,202,560.83	\$1,063.89
	KE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	CC	\$0.00	\$0.00	\$0.00	\$0.00	\$78,262.37	\$5,096,607.16
	LP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$432,188.15
	ST	\$4,580,347.43	\$3,891,134.00	\$4,864,463.28	\$3,487,501.80	\$7,280.99	\$567.41
	NV	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$35.46
	NC	\$2,491,986.09	\$23,407.09	\$2,646,562.30	\$20,979.04	\$0.00	\$2,837,150.09
	NB	\$1,251.20	\$81.13	\$1,328.81	\$72.72	\$0.00	\$0.00
	SI	\$0.00	\$229,365.11	\$0.00	\$205,572.78	\$2,741,277.49	\$722,098.55
	DI	\$0.00	\$2,359,896.77	\$0.00	\$2,115,101.72	\$24,901.66	\$0.00
	SF	\$0.00	\$0.00	\$0.00	\$0.00	\$1,031,008.65	\$283.70
	DA	\$0.00	\$0.00	\$0.00	\$0.00	\$1,626,953.00	\$319.17
	FR	\$19,109.19	\$4,989.73	\$20,294.52	\$4,472.14	\$0.00	\$0.00
	MI	\$0.00	\$2,402,573.12	\$0.00	\$2,153,351.20	\$215,903.07	\$283.70
	YO	\$3,982,900.92	\$10,101.15	\$4,229,957.57	\$9,053.35	\$0.00	\$0.00
	SA	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	EB	\$0.00	\$2,372,756.47	\$0.00	\$2,126,627.47	\$2,958.94	\$212.78
Total		\$ 11,075,594.83	\$ 12,489,810.34	\$ 11,762,606.47	\$ 11,194,226.67	\$ 9,152,574.76	\$ 9,090,951.92

Notes:

- PG&E implemented a new cost allocation methodology (new cost model) in 2016. To provide comparable costs, 2014 and 2015 recorded costs are shown in PG&E's old cost allocation methodology (old cost model) and PG&E's new cost model. Costs are similar between old/new cost model as spend is from external resources.
- Sonoma and Napa county spend is included in North Bay (NB) and North Coast (NC) divisions. North Bay includes Napa, Marin and parts of Solano Counties. North Coast includes Sonoma, Humboldt and Mendocino Counties.
- Costs are not tracked by division. Unit counts (which are tracked by district and which were assigned to each division) were multiplied by an overall system average unit cost to derive the above amounts.
- Program is designed to test all poles once every 10 – 13 years, but work rotates between different geographic areas from year to year. Additional work was completed from 2011-2013 in the amounts \$8.6M in NC and \$2.4M in NB divisions.
- These program costs do not include capital expenditures for pole replacements identified through the Pole Test and Treat program.

Recorded Costs (Preliminary)

		2014 Old Cost Model	2015 Old Cost Model	2014 New Cost Model	2015 New Cost Model	2016 New Cost Model	2017 YTD September New Cost Model
MWC HN	Division	2014	2015	2014	2015	2016	2017
	PN	6,691,899.93	6,195,671.31	6,665,916.61	6,210,862.04	7,675,139.62	4,963,903.14
	SJ	4,571,955.38	4,684,748.02	4,571,080.84	4,697,181.72	5,267,790.03	3,578,332.09
	KE	3,454,870.10	3,392,677.35	3,460,730.46	3,417,866.84	4,262,244.24	2,404,620.62
	CC	11,899,170.57	8,920,983.69	11,897,617.28	8,950,879.08	12,073,287.80	8,047,367.29
	LP	5,654,527.02	4,755,145.08	5,652,992.99	4,786,874.52	5,675,119.72	3,947,976.05
	ST	11,141,842.78	10,716,128.62	11,147,825.68	10,742,836.85	9,457,577.42	8,465,806.18
	NV	18,086,481.48	15,718,515.84	18,094,851.77	15,750,898.82	16,450,953.46	11,755,389.26
	NC	17,024,227.58	18,235,252.02	17,024,469.07	18,298,246.45	21,643,858.80	15,609,961.39
	NB	12,593,764.76	7,199,189.76	12,576,609.23	7,218,509.61	8,818,246.03	4,662,541.07
	SI	17,128,220.35	15,286,433.72	17,135,095.21	15,311,597.92	13,978,327.65	10,917,012.29
	DI	5,250,895.29	4,443,124.14	5,271,446.22	4,468,543.01	4,825,363.45	4,252,756.10
	SF	525,623.44	608,695.92	517,409.26	622,309.41	626,026.29	576,833.83
	DA	6,117,405.37	6,440,685.91	6,105,059.77	6,456,281.21	6,595,829.71	5,118,512.95
	FR	8,317,897.15	7,284,963.16	8,315,581.12	7,290,439.06	6,821,753.55	5,471,529.08
	MI	2,982,860.02	2,516,538.08	2,984,440.03	2,524,656.22	3,011,094.57	2,131,182.09
	YO	12,301,891.36	18,095,227.24	12,281,916.85	18,100,604.66	13,067,039.35	10,930,114.99
	SA	9,995,466.10	8,576,325.29	9,998,699.33	8,606,720.02	10,166,128.81	7,639,928.06
	EB	2,283,366.48	2,197,970.19	2,281,106.90	2,222,747.99	2,305,457.89	2,018,767.59
Division Total		156,022,365.16	145,268,275.34	155,982,848.62	145,678,055.43	152,721,238.39	112,492,534.07
System Total		33,651,016.29	48,826,130.84	33,852,701.86	49,388,325.57	46,014,340.39	37,857,241.03
Total		\$ 189,673,381.45	\$ 194,094,406.18	\$ 189,835,550.48	\$ 195,066,381.00	\$ 198,735,578.78	\$ 150,349,775.10

Notes:

- PG&E implemented a new cost allocation methodology (new cost model) in 2016. To provide comparable costs, 2014 and 2015 recorded costs are shown in PG&E's old cost allocation methodology (old cost model) and PG&E's new cost model. Costs are similar between old/new cost model as spend is from external resources.
- Sonoma and Napa county spend is included in North Coast (NC) and North Bay (NB) divisions. North Bay includes Napa, Marin and parts of Solano Counties. North Coast includes Sonoma, Humboldt and Mendocino Counties.
- System spend includes general programmatic costs for work that is not specific to any division, including: Public Safety & Fire Risk Reduction (Tree Work), Vegetation Controls (Pole Clearing work), LiDAR Patrol & Routing, Environmental, Quality Programs (QA&QC), IT, Special Projects, Public Education.

Recorded Costs (Preliminary)

		2014 Old Cost Model	2015 Old Cost Model	2014 New Cost Model	2015 New Cost Model	2016 New Cost Model	2017 YTD September New Cost Model
MWC IG	Division	2014	2015	2014	2015	2016	2017
	PN	\$ 709,531.36	659,443.18	694,857.53	646,126.19	864,843.07	589,924.14
	SJ	172,099.10	19,490.93	168,539.91	19,097.33	149,525.98	115,323.52
	KE	45,289.24	30,860.64	44,352.61	30,237.43	228,090.48	279,437.75
	CC	1,890,070.78	2,629,651.49	1,850,982.20	2,576,547.52	3,851,561.19	2,838,732.68
	LP	1,331,503.54	1,148,340.70	1,303,966.69	1,125,150.77	2,572,353.75	2,838,732.68
	ST	1,820,627.28	2,809,942.60	1,782,974.87	2,753,197.78	24,725,641.60	33,071,235.74
	NV	6,029,506.94	3,277,724.95	5,904,810.62	3,211,533.60	10,052,454.32	7,815,385.91
	NC	5,165,992.18	3,121,797.50	5,059,154.22	3,058,755.00	9,572,830.72	12,488,206.04
	NB	513,278.01	729,285.68	502,662.90	714,558.27	1,359,672.69	1,177,630.51
	SI	2,874,356.84	2,644,269.68	2,814,912.22	2,590,870.52	23,734,081.60	31,061,945.27
	DI	141,906.27	133,188.03	138,971.51	130,498.39	366,211.94	290,526.55
	SF	0.00	0.00	0.00	0.00	0.00	0.00
	DA	1,144,308.03	29,236.40	1,120,642.58	28,645.99	482,157.93	552,222.22
	FR	552,528.68	2,725,481.90	541,101.82	2,670,442.71	21,836,495.52	12,763,208.27
	MI	238,523.31	110,448.61	233,590.41	108,218.18	138,121.46	75,403.84
	YO	2,980,031.72	13,076,790.68	2,918,401.64	12,812,714.08	82,184,167.82	56,825,662.11
	SA	111,713.45	492,146.02	109,403.10	482,207.47	1,335,596.48	483,471.66
	EB	135,867.71	30,860.64	133,057.83	30,237.43	183,739.55	403,632.30
Total		\$ 25,857,134.44	\$ 33,668,959.64	\$ 25,322,382.66	\$ 32,989,038.66	\$ 183,637,546.09	\$ 163,670,681.18

- Notes:
- PG&E implemented a new cost allocation methodology (new cost model) in 2016. To provide comparable costs, 2014 and 2015 recorded costs are shown in PG&E's old cost allocation methodology (old cost model) and PG&E's new cost model. Costs are similar between old/new cost model as spend is from external resources.
 - Sonoma and Napa county spend is included in North Coast (NC) and North Bay (NB) divisions. North Bay includes Napa, Marin and parts of Solano Counties. North Coast includes Sonoma, Humboldt and Mendocino Counties.
 - Costs are not tracked by division, so unit counts (which are tracked by division) were multiplied by an overall system average unit cost to derive the above amounts .